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ZNR UUUUU ZZH
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FM AMEMBASSY PARAMARIBO
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9911
INFO RUCNCOM/EC CARICOM COLLECTIVE
RUEHAO/AMCONSUL CURACAO 1220
RUEHCV/AMEMBASSY CARACAS 1646
RHMFIUU/DEPT OF ENERGY WASHINGTON DC

UNCLAS PARAMARIBO 000018

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STATE FOR WHA/CAR JROSHOLT; WHA/EPSC, EB/ESC/IEC/ENR, INR FOR
BCARHART

E.O. 12958: N/A
TAGS: [BBSR](#) [ECON](#) [EPET](#) [VE](#) [NS](#)

SUBJECT: PETROCARIBE STILL ALIVE, MIGHT AID FISHERIES

REF: 05 PARAMARIBO 602

11. (U) SUMMARY: The PetroCaribe deal is still an option for Suriname, the Minister of Natural Resources told the press on January 9. The Minister of Agriculture, Animal Husbandry, and Fisheries told the press on January 10 that the deal would assist the fisheries sector, which has been severely affected by rising fuel costs. END SUMMARY

12. (U) Minister of Natural Resources Gregory Rusland told the press on January 9 that the PetroCaribe deal is still an option for Suriname. Implementation of the deal had stalled when the Government, most notably the Ministry of Finance (MOF) and the Central Bank of Suriname, refused to provide a state guarantee of payment. Rusland told the press, "I'm about ready to say I'm not going to talk about the deal anymore until I see a ship off of Suriname with oil products. But I have to tell you that we're also making progress on this matter... We're not giving up. And in fact, if a moment comes in which we say we see no value in the implementation, then we'd announce that too." When contacted by Post for confirmation Jai Noel Abdul, Permanent Secretary of the Ministry of Natural Resources, would not comment, saying only the Minister could confirm his remarks.

13. (U) Meanwhile, Minister of Agriculture, Animal Husbandry, and Fisheries Kermechend Raghoebarsing told the press on January 10 he is looking to the PetroCaribe deal as a "solution" to dealing with costs in the fisheries sector. Fuel prices are the most important component in the price of fish, and if fishermen have to pay market prices for fuel, the sector is at risk of dying out, he warned. Increasing competition from Guyanese and Venezuelan fishermen who get their fuel in Venezuela at a lower rate and then fish illegally in Surinamese waters is a danger to Suriname's fisheries sector. Raghoebarsing identified this as a national security threat that has contributed to the rise of a black market for fuel at sea as well as an increase in piracy cases off Suriname's coast. (NOTE: To combat these problems, Suriname implemented a vessel GPS registry system in summer 2007 and conducted a maritime operation against pirates in December 2007. END NOTE) Once Surinamese fishermen can purchase fuel at the same rates as their Guyanese and Venezuelan counterparts, the Minister said he expects the damage to the sector to decrease.

14. (U) COMMENT: The dire warnings from Suriname's Agriculture Minister track with those Post has heard from industry leaders. At a luncheon hosted by the Ambassador on January 11 to take advantage of the visit of the Turtle Excluder Device (TEDs) Inspection Team to Suriname, the high cost of fuel was rated the top problem confronting Suriname's fisheries industry today. It also impacts government of Suriname (GOS) ability to patrol its territory, both on land and at sea. Given these straightened circumstances,

Rusland's favorable comments with respect to PetroCaribe appear understandable. Whether PetroCaribe would, in fact, be the panacea the GOS hopes, remains open to debate. END COMMENT

SCHREIBER HUGHES